

Presentment Date and Time: May 8, 2019 at 10:00 a.m. (Eastern Time)
Objection Deadline: May 7, 2019 at 4:00 p.m. (Eastern Time)
Hearing Date and Time (Only if Objections Filed): May 8, 2019 at 10:00 a.m. (Eastern Time)

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Attorneys for Transform Holdco LLC

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re	:
	: Chapter 11
SEARS HOLDINGS CORPORATION, et al.,	:
	: Case No. 18-23538 (RDD)
	:
Debtors.¹	: (Jointly Administered)
-----	X

**NOTICE OF PRESENTMENT OF STIPULATION AND ORDER BY AND
AMONG SELLERS, BUYER, AND CERTAIN LANDLORDS EXTENDING
TIME UNDER 11 U.S.C. § 365(d)(4) FOR ASSUMPTION OR
REJECTION OF LEASES OF NONRESIDENTIAL REAL PROPERTY**

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are as follows: Sears Holdings Corporation (0798); Kmart Holding Corporation (3116); Kmart Operations LLC (6546); Sears Operations LLC (4331); Sears, Roebuck and Co. (0680); ServiceLive Inc. (6774); SHC Licensed Business LLC (3718); A&E Factory Service, LLC (6695); A&E Home Delivery, LLC (0205); A&E Lawn & Garden, LLC (5028); A&E Signature Service, LLC (0204); FBA Holdings Inc. (6537); Innovel Solutions, Inc. (7180); Kmart Corporation (9500); MaxServ, Inc. (7626); Private Brands, Ltd. (4022); Sears Development Co. (6028); Sears Holdings Management Corporation (2148); Sears Home & Business Franchises, Inc. (6742); Sears Home Improvement Products, Inc. (8591); Sears Insurance Services, L.L.C. (7182); Sears Procurement Services, Inc. (2859); Sears Protection Company (1250); Sears Protection Company (PR) Inc. (4861); Sears Roebuck Acceptance Corp. (0535); Sears, Roebuck de Puerto Rico, Inc. (3626); SYW Relay LLC (1870); Wally Labs LLC (None); SHC Promotions LLC (9626); Big Beaver of Florida Development, LLC (None); California Builder Appliances, Inc. (6327); Florida Builder Appliances, Inc. (9133); KBL Holding Inc. (1295); KLC, Inc. (0839); Kmart of Michigan, Inc. (1696); Kmart of Washington LLC (8898); Kmart Stores of Illinois LLC (8897); Kmart Stores of Texas LLC (8915); MyGofer LLC (5531); Sears Brands Business Unit Corporation (4658); Sears Holdings Publishing Company, LLC. (5554); Sears Protection Company (Florida), L.L.C. (4239); SHC Desert Springs, LLC (None); SOE, Inc. (9616); StarWest, LLC (5379); STI Merchandising, Inc. (0188); Troy Coolidge No. 13, LLC (None); BlueLight.com, Inc. (7034); Sears Brands, L.L.C. (4664); Sears Buying Services, Inc. (6533); Kmart.com LLC (9022); Sears Brands Management Corporation (5365); and SRe Holding Corporation (4816). The location of the Debtors’ corporate headquarters is 3333 Beverly Road, Hoffman Estates, Illinois 60179.

PLEASE TAKE NOTICE that Transform Holdco LLC (the “Buyer”) will present the *Stipulation and Order by and among Sellers, Buyer, and Certain Landlords Extending Time Under 11 U.S.C. § 365(d)(4) For Assumption or Rejection of Leases of Nonresidential Real Property* (the “Stipulation”) to the Honorable Robert D. Drain, United States Bankruptcy Judge, for signature on **May 8, 2019 at 10:00 a.m. (Eastern Time)**. A copy of the Stipulation is attached hereto as **Exhibit A**.

PLEASE TAKE FURTHER NOTICE that any objection to the Stipulation shall be in writing, shall conform to the Federal Rules of Bankruptcy Procedure and the Local Bankruptcy Rules for the Southern District of New York, shall be filed with the Bankruptcy Court (a) by attorneys practicing in the Bankruptcy Court, including attorneys admitted pro hac vice, electronically in accordance with General Order M-399 (which can be found at www.nysb.uscourts.gov), and (b) by all other parties in interest, on a CD-ROM, in text-searchable portable document format (PDF) (with a hard copy delivered directly to Chambers), in accordance with the customary practices of the Bankruptcy Court and General Order M-399, to the extent applicable, and shall be served in accordance with the *Amended Order Implementing Certain Notice and Case Management Procedures*, entered on November 1, 2018 (ECF No. 405) (the “Amended Case Management Order”).

PLEASE TAKE FURTHER NOTICE that unless an objection is served and filed with proof of service with the Clerk of the Bankruptcy Court, and a courtesy copy is delivered to the undersigned and to the chambers of the Honorable Robert D. Drain, so as to be received by **May 7, 2019 at 4:00 p.m. (Eastern Time)**, there will not be a hearing to consider the Stipulation, and the Stipulation may be signed and entered by the Bankruptcy Court.

PLEASE TAKE FURTHER NOTICE that, if an objection is timely filed and served

with respect to the Stipulation, a hearing (the “Hearing”) will be held to consider such objection before the Honorable Robert D. Drain, United States Bankruptcy Judge, at the United States Bankruptcy Court, 300 Quarropas Street, White Plains, New York 10601.

PLEASE TAKE FURTHER NOTICE that any objecting parties are required to attend the Hearing, and failure to appear may result in relief being granted upon default.

Dated: May 5, 2019
New York, New York

/s/ Luke A. Barefoot

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Exhibit A

Stipulation

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

-----	X	
	:	
In re	:	
	:	Chapter 11
SEARS HOLDINGS CORPORATION, <i>et al.</i>,	:	
	:	Case No. 18-23538 (RDD)
	:	
Debtors.²	:	(Jointly Administered)
-----	X	

**STIPULATION AND ORDER BY AND AMONG SELLERS, BUYER,
AND CERTAIN LANDLORDS EXTENDING TIME UNDER 11 U.S.C. § 365(d)(4)
FOR ASSUMPTION OR REJECTION OF LEASES OF
NONRESIDENTIAL REAL PROPERTY**

This Stipulation and Order (the Stipulation and Order) is made as of May 5, 2019, by and between Sears Holdings Corporation and its affiliated debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, the “Debtors”), Transform Holdco LLC, as Buyer (the “Buyer”), and non-affiliated parties Seritage (as defined below), Wal-Go Associates, LLC (the “Wal-Go Landlord”), Alatex-Tenn, Ltd. (the “Alatex Landlord”), and Walters Investments, LP (the “Walters Investments Landlord” and, collectively with Seritage, the Wal-

² The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are as follows: Sears Holdings Corporation (0798); Kmart Holding Corporation (3116); Kmart Operations LLC (6546); Sears Operations LLC (4331); Sears, Roebuck and Co. (0680); ServiceLive Inc. (6774); SHC Licensed Business LLC (3718); A&E Factory Service, LLC (6695); A&E Home Delivery, LLC (0205); A&E Lawn & Garden, LLC (5028); A&E Signature Service, LLC (0204); FBA Holdings Inc. (6537); Innovel Solutions, Inc. (7180); Kmart Corporation (9500); MaxServ, Inc. (7626); Private Brands, Ltd. (4022); Sears Development Co. (6028); Sears Holdings Management Corporation (2148); Sears Home & Business Franchises, Inc. (6742); Sears Home Improvement Products, Inc. (8591); Sears Insurance Services, L.L.C. (7182); Sears Procurement Services, Inc. (2859); Sears Protection Company (1250); Sears Protection Company (PR) Inc. (4861); Sears Roebuck Acceptance Corp. (0535); Sears, Roebuck de Puerto Rico, Inc. (3626); SYW Relay LLC (1870); Wally Labs LLC (None); SHC Promotions LLC (9626); Big Beaver of Florida Development, LLC (None); California Builder Appliances, Inc. (6327); Florida Builder Appliances, Inc. (9133); KBL Holding Inc. (1295); KLC, Inc. (0839); Kmart of Michigan, Inc. (1696); Kmart of Washington LLC (8898); Kmart Stores of Illinois LLC (8897); Kmart Stores of Texas LLC (8915); MyGofer LLC (5531); Sears Brands Business Unit Corporation (4658); Sears Holdings Publishing Company, LLC. (5554); Sears Protection Company (Florida), L.L.C. (4239); SHC Desert Springs, LLC (None); SOE, Inc. (9616); StarWest, LLC (5379); STI Merchandising, Inc. (0188); Troy Coolidge No. 13, LLC (None); BlueLight.com, Inc. (7034); Sears Brands, L.L.C. (4664); Sears Buying Services, Inc. (6533); Kmart.com LLC (9022); Sears Brands Management Corporation (5365); and SRe Holding Corporation (4816). The location of the Debtors’ corporate headquarters is 3333 Beverly Road, Hoffman Estates, Illinois 60179.

Go Landlord and the AlateX Landlord, the “Landlords,” and together with the Debtors and the Buyer, the “Parties”), through their respective and duly authorized counsel of record.

Recitals

A. The Debtors occupy certain nonresidential real property owned by Seritage SRC Finance LLC or Seritage KMT Finance LLC (collectively, “Seritage”) at 5900 Old Seward Highway, Anchorage, Alaska (Store #8722) (the “Anchorage Property”); AlateX-Tenn, Ltd. and one of the Debtors are parties to that certain lease dated as of May 10, 1979 of nonresidential real property at 1443 W Main Street, Lebanon, Tennessee (Store # 9621) (as amended and/or modified the “Lebanon Lease”); Walters Investments, LP and one of the Debtors are parties to that certain lease dated as of July 20, 1970 of nonresidential real property at 1801 South Tenth Street, McAllen Texas (Store # 4389) (as amended and/or modified, the “McAllen Lease”); Wal-Go Associates, LLC and one of the Debtors are parties to that certain lease dated as of April 27, 1976 of nonresidential real property at 3350 US 30 East, Warsaw, Indiana (Store # 9122) (as amended and/or modified, the “Warsaw Lease” and, collectively with the Anchorage Property, Lebanon Lease, McAllen Lease and Warsaw Lease, the “Leases”).

B. On October 15, 2018, the above-captioned debtors filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”), in the United States Bankruptcy Court for the Southern District of New York (the “Bankruptcy Court”).

C. On January 18, 2019, the Debtors filed and served on the applicable counterparties the Notice of Cure Costs and Potential Assumption and Assignment of Executory Contracts and Unexpired Leases in Connection with Global Sale Transaction (ECF No. 1731) (the “Initial Notice”), which notice included each of the Leases.

D. On January 25, 2019, the Alatex Landlord, Walters Investments Landlord and Wal-Go Landlord each timely filed certain objections with respect to the Lebanon Lease, McAllen Lease and Warsaw Lease (ECF Nos. 1883, 1895, 1905).

E. On February 8, 2019, the *Order (I) Approving the Asset Purchase Agreement Among Sellers and Buyer, (II) Authorizing the Sale of Certain of the Debtors' Assets Free and Clear of Liens, Claims, Interests and Encumbrances, (III) Authorizing the Assumption and Assignment of Certain Executory Contracts, and Leases in Connection Therewith, and (IV) Granting Related Relief* (the "Sale Order") (ECF No. 2507) was entered by the Bankruptcy Court, approving the sale of certain assets of the Debtors to the Buyer.

F. In accordance with the terms of the Sale Order, the Buyer was permitted to designate Additional Contracts and Designatable Leases (collectively, the "Additional Assigned Agreements") for assumption and assignment for up to sixty (60) days after the Closing Date (the "Designation Rights Period"), which occurred on February 11, 2019. The Debtors and the Buyer agreed to an extension of the Designation Rights Period and, on April 12, 2019, the Debtors filed the Notice of Amendment to Asset Purchase Agreement Extending Certain Deadlines (the "Extension Notice") (ECF No. 3171), which extended the Designation Rights Period to May 3, 2019 for certain Designatable Leases including the Leases and to May 13, 2019 for Additional Contracts.

G. On April 2, 2019, the Bankruptcy Court entered the *Order (I) Authorizing Assumption and Assignment of Certain Executory Contracts and Leases and (II) Granting Related Relief* (the "Assumption and Assignment Order") (ECF No. 3008).

H. On April 19, 2019, the Buyer filed the *Statement/Notice of Assumption of Additional Designatable Leases*, designating the Lebanon Lease, McAllen Lease, and Warsaw Lease as

subject to assumption by the Buyer pursuant to the terms of the Assumption and Assignment Order (the “April 19 Assumption Notice”) (ECF No. 3298).

I. On April 25, 2019, the Buyer filed the *Statement/Notice of Assumption of Additional Designatable Leases*, designating the Anchorage Property as subject to assumption by the Buyer pursuant to the terms of the Assumption and Assignment Order (the “April 25 Assumption Notice” and together with the April 19 Assumption Notice, the “Assumption Notices”) (ECF No. 3369).

J. The deadline for the Debtors to assume or reject the Leases pursuant to section 365(d)(4) of the Bankruptcy Code, including the Leases, is currently May 13, 2019 (the “Section 365(d)(4) Period”).

K. The Buyer desires additional time to determine whether to designate the Leases for assumption and assignment and to continue discussions with the counterparties to the Leases regarding resolution of their Objections.

L. The Parties have agreed to an extension of the Section 365(d)(4) Period and extension of the Landlords’ objection deadlines with respect to the Assumption Notices, based on the terms and conditions set forth below.

**IT IS THEREFORE AGREED, AND UPON BANKRUPTCY COURT APPROVAL
HEREOF, IT SHALL BE ORDERED AS FOLLOWS:**

WHEREAS, each Landlord hereby consents to a further extension of the Section 365(d)(4) Period to and including June 30, 2019; and

WHEREAS, the Parties desire to memorialize their agreement in this Stipulation and Order.

1. This Stipulation shall be deemed effective and in full force and effect on the date of entry of this Stipulation and Order by the Bankruptcy Court.

2. Pursuant to section 365(d)(4) of the Bankruptcy Code, the Section 365(d)(4) Period is hereby extended to and including June 30, 2019. For the avoidance of doubt, such date shall remain the applicable date by which assumption or rejection of the Leases shall be permitted regardless of the date of confirmation of any plan of reorganization of the Debtors.

3. The Landlords' Objection Deadline with respect to the Assumption Notices shall be deemed extended to a date to be determined by mutual agreement of the Parties, but in no event less than 30 days prior to the termination of the Section 365(d)(4) Period.

4. This Stipulation and Order hereby constitutes "prior written consent of the lessor" under section 365(d)(4)(B)(ii) of the Bankruptcy Code solely with respect to the Leases specifically identified herein and no further prior written consent of each of the Landlords shall be required.

5. In addition to any other obligations it may have under the Asset Purchase Agreement, dated as of January 17, 2019, as amended, the Buyer agrees to bear all occupancy costs relating to the Leases during the period from May 13, 2019 through the Section 365(d)(4) Period, as extended by this Stipulation and Order.

6. Nothing herein shall be deemed to alter, amend or otherwise modify the terms of the Leases, and such terms shall continue in full force and effect up to the effective date of (a) rejection of the Leases or (b) assumption of the Leases pursuant to section 365 of the Bankruptcy Code and the Assumption and Assignment Order.

7. This Stipulation and Order is without prejudice to the Parties' agreement in writing to an additional extension of the Section 365(d)(4) Period beyond June 30, 2019, which may or may not be provided by each of the Landlords in its sole and absolute discretion.

8. This Stipulation and Order shall inure to the benefit of and shall be binding upon the Parties, their successors and assigns.

9. This Stipulation and Order may be executed in one or more counterparts, which collectively shall form one and the same agreement. Any of the Parties may execute this Stipulation and Order by signing any such counterpart and each of such counterparts (whether an original or a copy) shall for all purposes be deemed an original.

10. In the event that this Stipulation and Order is not approved by the Bankruptcy Court or is not executed by the Parties, (a) nothing herein shall be used against any of the Parties hereto for any reason and (b) the obligations of the Parties under this Stipulation and Order shall be null and void, and with the exception of this paragraph, the Parties' respective rights and obligations under applicable law shall remain unaffected by this Stipulation and Order.

11. The Bankruptcy Court shall have jurisdiction over any action or proceeding arising out of, or relating to, this Stipulation and Order.

Dated: May 5, 2019

WEIL, GOTSHAL & MANGES LLP

By: /s/ Jacqueline Marcus

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Counsel for the Debtors and Debtors in Possession

Dated: May 5, 2019

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Counsel for the Wal-Go Landlord, Walters Investment Landlord and Alatex Landlord

IT IS SO ORDERED.

Dated: New York, New York
May __, 2019

UNITED STATES BANKRUPTCY JUDGE